THE IMPACT OF SUSTAINABILITY REPORTING ON FINANCIAL PERFORMANCE (WITH SPECIAL REFERENCE TO SELECTED BSE LISTED AUTOMOBILE COMPANIES OF INDIA)

A

Synopsis

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INTRODUCTION

Sustainability is defined as meeting our own present needs without compromising the ability to meet the own needs of future generations. Reporting is defined as Presenting data and news in a significant manner. However, Sustainability Reporting enables organizations to report on three parameters i.e., Environmental, Economic, and Social performance. It is not just presenting collected data in the form of a report, instead, it is a method to internalize and improve an organization's commitment to sustainable development in a way that can be demonstrated to both internal and external stakeholders. Sustainability reports help companies build consumer confidence and improve corporate reputations. This concept was given by Elkington in 2004 and covers three aspects, namely, environmental performance, social responsibility, and economic contribution. It is also known as 'Triple bottom line reporting' or 'corporate social responsibility. When presented on a piece of paper, this concept takes the shape of Sustainability Reporting. It is an accountability of internal and external stakeholders to consider measuring and disclosing the Sustainability Reporting for the organizational performance towards sustainable development.

Sustainability Reporting Framework in India

Sustainability Reporting is gaining momentum in developing countries such as India. Global Reporting Initiatives (GRI), is an independent international organization providing a Sustainability Reporting Framework. This organization plays a significant role in India's incorporation to compete with the global reporting standards on sustainable development (GRI 2013a, 2017a, b). In July 2011, the Ministry of Corporate Affairs (MCA) launched the National Voluntary Disclosures (NVG) Framework for Social, Environmental, and Economic responsibilities of business developed by GRI in collaboration with the Indian Institute of Corporate Affairs and German International Corporation, India (IICA–GIZ) (Ministry of Corporate Affairs 2011). NVG aims to empower entrepreneurial skills, business operations, and responsible global leadership through sustainable business (Ministry of Corporate Affairs 2011). Furthermore, the Securities and Exchange Board of India (SEBI) developed a business responsibility report (BRR) framework based on the principles of NVGs and mandated reporting Environmental, Social, and Governance (ESG) initiatives for the top 100 listed companies through a circular dated 13 August 2012 (SEBI 2012). On 30 November 2015, SEBI extended the BRR mandate to the top 500

listed companies based on market capitalization. Subsequently, the Bombay Stock Exchange (BSE) and GRI signed a formal Memorandum of Understanding (MoU) to work collaboratively and extend support in designing and preparing Sustainability reports for the top 500 BSE-listed companies (SEBI 2017). With the BRR initiative, SEBI has joined a league of selective market regulators that seek Sustainability disclosures from the listed companies. Hence, these proactive actions of Indian regulatory bodies prove the country's commitment to sustainable development. SEBI in India plays the role of the market regulator, regulating securities, and protecting the interests of the stakeholders in the market. SEBI is also responsible for the implementation of an efficient ESG policy mechanism. In 2021, SEBI issued a circular containing details of a new sustainability-related reporting requirement called the Business Responsibility and Sustainability Report (BRSR), which brings India's Sustainability Reporting to global reporting standards. BRSR is a departure from the BRR format. On May 10, 2021, SEBI issued a circular introducing the Business Responsibility and Sustainability Report (BRSR), which will replace the Business Responsibility Reporting (BRR). The new reporting format outlines mandatory ESG policies and requirements for the top 1000 listed companies by market capitalization. The format is based on the nine principles stipulated in the "National Guidelines on Responsible Business Conduct" (RBC Guidelines). The RBC Guidelines are influenced by leading international standards, including the UN Guiding Principles on Business and Human Rights, UN Sustainable Development Goals, Paris Agreement, and International Labour Organisation (ILO) Core Conventions. The RBC Guidelines address key sustainability matters, such as business ethics and transparency, human rights, environmental safety, and fair labour practices. This is to provide companies with sufficient time to adapt to the new reporting compliance. Companies are encouraged, however, to adopt the BRSR early. The BRSR is aimed at securing transparent and standardized disclosures by companies on their ESG parameters and sustainability-related risks. This approach is expected to help companies better demonstrate their sustainability objectives, position, and performance to the market, resulting in long-term value creation and increasing the ability of investors to make informed ESG-related decisions.

Automobile Industry in India

Automobile Industry is also called as Automotive Industry. This Industry Includes not only the Manufacture of vehicles but also include Manufacture of Auto components. The Automobile Industry

in India is a growing industry that shows promise and is necessary for the nation's economic and technological advancement. Because of the Indian Automobile Industry is supported by various factors such as the availability of skilled labour at low cost, robust Research & Development centers, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

The Indian Automobile market can be divided into four main segments –

1. **Two-wheelers** (motorcycles, geared and ungeared scooters),- **81%**
2. **Three-wheelers,** (Auto Rickshaw) - **3%**
3. **Passenger vehicle**s (cars and utility vehicles), and - **13%**
4. **Commercial vehicles** (light, medium, and heavy) - **3%**

The Automobile Industry in India is the world's fifth largest. India is the world's fifth-largest manufacturer of cars, the seventh-largest manufacturer of commercial vehicles, the third-largest motorcycle manufacturer in the world, and the number-one three-wheeler manufacturer in the world. Two-Wheeler and Passenger vehicles dominate the domestic Indian auto market. Two-wheelers accounted for 80.8% market share in FY2020.

Indian Automotive Industry is expected to reach Rs. 16.16-18.18 trillion by 2026. The industry attracted Foreign Direct Investment (FDI) worth US$25.85 billion between April 2000 and March 2021 accounting for approx. 5% of the total FDI during the period according to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT). The Government of India encourages foreign investment in the Automobile Sector and has allowed 100% foreign direct investment (FDI) under the automatic route.

The Indian Auto Industry is expected to record strong growth in 2021-22, post recovering from the effects of the COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22.

The Selected Automobile Companies of India

Maruti Suzuki India Ltd.

This company was established by the government of India on 24 Jan 1984. Maruti Suzuki India Limited, formerly known as Maruti Udyog Limited, is an Indian Automobile manufacturer, based in New Delhi.

It was founded in 2001 and owned by the Government of India until 2003 when it was sold to the Japanese automaker Suzuki Motor Corporation. As of February 2022, Maruti Suzuki has a market share of 44.2 percent in the Indian passenger car market. The Market cap of Maruti Suzuki on 3 December is Rupees 2. 66 trillion.

Tata Motors Ltd.

Tata Motors Limited is an Indian multinational Automotive manufacturing company, headquartered in the city of Mumbai, India which is part of Tata Group. The company produces passenger cars, trucks, vans, coaches, buses, luxury cars, sports cars, and construction equipment. Formerly known as Tata Engineering and Locomotive Company (TELCO), the company was founded in 1945 as a manufacturer of locomotives. In August 2021, as a complimentary reward for Indian Olympians who finished a close fourth in Tokyo Olympics 2021 and missed the place for Bronze, the company planned to recognize the efforts by gifting an Altroz hatchback. Recently company reported an overall sales growth of 21% with 75,478 units sold in November 2022.

Mahindra & Mahindra Ltd.

Mahindra & Mahindra Limited (M&M) is an Indian multinational Automotive manufacturing corporation headquartered in Mumbai. It was established in 1945 as Mahindra & Muhammad and later renamed Mahindra & Mahindra. Part of the Mahindra Group, M&M is one of the largest vehicle manufacturers by production in India. Its subsidiary Mahindra Tractors is the largest manufacturer of tractors in the world by volume. Its major competitors in the Indian market include Maruti Suzuki and Tata Motors. Market cap. of the company, on 3 December 2022 is Rupees 1.51 trillion.

Bajaj Auto Limited

Bajaj Auto Limited is an Indian multinational two-wheeler & three-wheeler manufacturing company based in the city of Pune, India. It manufactures motorcycles, scooters, and auto rickshaws. Bajaj Auto is a part of the Bajaj Group. It was founded by Jamnalal Bajaj in Rajasthan in the 1940s. Bajaj Auto is the world's third-largest manufacturer of motorcycles and the second-largest in India. It is the world's largest three-wheeler manufacturer. Bajaj Auto was established on 29 November 1945 as M/s Bachraj Trading Corporation Private Limited. Shares of the company dropped over 4% after the company reported a 19.3% fall in November sales.

Eicher Motors Ltd.

Eicher Motors Limited is an Indian multinational Automotive company that manufactures motorcycles and commercial vehicles, headquartered in New Delhi. It is founded in 1948. Eicher is the parent company of Royal Enfield, a manufacturer of middleweight motorcycles. During February 2022, the total domestic sales of Eicher trucks & buses rose 5.6% to 5093 units while total export jumped 27.8% to 652 units over February 2021. The market cap of the company on 3 December 2022 is rupees 911.10 billion.

Hero MotoCorp Limited

Hero MotoCorp Limited, formerly Hero Honda, is an Indian multinational motorcycle and scooter manufacturer headquartered in New Delhi, India. The company is the largest two-wheeler manufacturer in the world. Hero Honda started its operations in 1984 as a joint venture between Hero Cycles of India and Honda of Japan. The market cap of the company on 3 December 2022 is rupees 564.17 billion.

Bosch Ltd

Robert Bosch commonly known as Bosch is a German multinational engineering and technology company headquartered in Gerlingen. The company was founded by Robert Bosch in Stuttgart in 1886. The market cap of the company on 3 December 2022 is rupees 504.04 billion.

Ashok Leyland Ltd.

Ashok Leyland is an Indian multinational Automotive manufacturer, headquartered in Chennai. It is owned by the Hinduja Group. It was founded in 1948 as Ashok Motors and became Ashok Leyland in the year 1955. It manufactures commercial vehicles, buses, and trucks. The market Capitalization of Ashok Leyland stock is Rs. 428.96 on 2 December 2022.

M.R.F. Ltd.

Madras Rubber Factory, commonly known as MRF or MRF Tyres, is an Indian Multinational tyre manufacturing company and the largest manufacturer of tyres in India, also the sixth largest manufacturer in the world. It is headquartered in Chennai, Tamil Nadu, India.

TVS Motor Company Ltd.

TVS Motor Company (commonly known as TVS) is an Indian motorcycle manufacturer headquartered in Chennai, Tamil Nadu, India. It is the third-largest motorcycle company in India. T. V. Sundaram

Iyengar began with Madurai's first bus service in 1911 and founded TVS, a company in the transportation business with a large fleet of trucks and buses under the name of Southern Roadways. The market cap of the company on 3 December 2022 is rupees 498.77 billion.

Balkrishna Industries Ltd.

It is a global Indian tyres manufacturing firm headquartered in Mumbai, India. Balkrishna Industries manufactures off-highway tyres for mining, earthmoving, agriculture, and gardening in five factories in Aurangabad, Bhiwadi, Chopanki, Dombivali, and Bhuj. It was placed 41st among the world's tyre manufacturers in 2013. Balkrishna Industries commenced operations in 1987 with the opening of its first off-highway tyre manufacturing factory in Aurangabad. The market cap of the company on 3 December 2022 is rupees 398.95 billion.

Apollo Tyres Ltd.

It is a multinational tyre manufacturing company based in Gurugram, Haryana, India. It was founded in 1972, and its first plant was opened in Perambra, Chalakudy, Kerala (India). The organization today has five manufacturing facilities in India, one in the Netherlands, and one in Hungary. It has almost 5,000 dealerships in India, with over 2,500 of them being exclusive stores. The market capitalization is Rs. 202.60 billion on December 3, 2022.

Financial Performance

Financial Performance means the complete evaluation of a company’s overall standing in categories such as assets, liabilities, equity, expenses, revenues, and companies’ overall profitability over a given period. Financial Performance analysis is the process of determining the financial position and operations of a firm from accounting and financial statements. The goal of such analysis is to determine the efficiency and performance of the firm’s management, as reflected in the financial records and reports. The analyst attempts to measure the firm’s liquidity, profitability, and other indicators that the business is conducted rationally and normally, ensuring enough returns to the shareholders to maintain at least its market value. The ability of an organization to analyze its financial position is essential for improving its competitive position in the marketplace. Through a careful analysis of its financial performance, the organization can identify opportunities to improve the performance of the department, unit, or organizational level.

There are many stakeholders in a company, including trade creditors, Debenture holders, employees, shareholders, Customers, management, etc. Each group has its interest in tracking the financial performance of a company. Financial performance identifies how well a company generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders. There are many ratios to calculate the Financial Performance of companies.

Such As:

1. Liquidity Ratios
2. Solvency Ratios
3. Profitability Ratios
4. Turnover Ratios, etc.

REVIEW OF LITERATURE

Table No. 1: Reviews of Sustainability Reporting regarding Performance Indicators

S.no.	Authors	Year	Title	Objectives	Research Methodology	Finding
1.	Mondal, A., Prasad, R., Bauri, S.	**2021**	An Empirical Study in Sustainability Reporting Practices of Indian Small and Medium-Sized Enterprises.	To examine whether the selected BSE SMEs are complying with the principles of National Guidelines on Responsible Business Conduct (NGRBC). To investigate to what extent the selected BSE SMEs are maintaining compliance with industry-specific disclosure provided by the Sustainability	**Data:** Secondary Data **Analysis tools:** Content Analysis	This study found that sustainability issues are of the highest priority but are still in their nascent stage, particularly among Indian SMEs. Out of the total 25 samples, all SMEs are trying to conduct business in an ethical, transparent, and accountable manner.

				Accounting Standards Board (SASB).		
2.	Chouhan, V. et al.	**2021**	Sustainable Reporting Practices of selected cement companies in India: A case study	To analyze the current Sustainability of Accounting Practices in Indian Cement Companies	**Data:** Primary Data **Analysis tools:** Likert Scale, MANOVA Analysis by using SPSS. 19.	This study found that there is a critical difference in the reporting of financial and non-financial sustainability factors by Indian cement companies. Therefore, corporations should follow the best standards of Environmental Sustainability for strengthening their activities and documentation on sustainable growth.
3.	Biswas, A., Sikdar, S.	**2021**	Study of Corporate Sustainability Practices in FMCG and Automobile Industries.	To assess the sector-wise performance of studied industries to the obligations of corporate sustainability practices and disclosures	**Data:** Secondary Data **Analysis tools:** Descriptive	The result of this study indicates that the role of Corporate Sustainability Practices helps companies' competitive edge over other market Players.
4.	Hamsir, A. M. et al.	**2021**	The Meaning of Triple Bottom Line in Sustainability Reporting.	This study aims to reveal the meaning of the Triple Bottom Line (TBL) in depth.	**Data:** Secondary Data **Analysis tools:** Pierce's semiotics	This research shows that disclosure of information in the form of narrative stories is basically, done by companies to form a positive image that WIKA is running its business activities while

						still paying attention to the social and the environment as well as stakeholders.
5.	Husnaini, W., Basuki, B.	**2020**	ASEAN Corporate Governance Scorecard: Sustainability Reporting and Firm Value	To examine the Influence of the ACGS on Sustainability Reporting of Selected Countries. To analyze the effect of the ACGS and Sustainability Reporting on the Firm's Value	**Data:** Secondary Data **Analysis tools:** Content Analysis & Ordinary Least Square Method	The results of the study do not support all hypotheses. The ACGS does not affect sustainability reporting. The ACGS has a significant negative effect on firm value, while Sustainability Reporting has a negative and insignificant effect on firm value.
6.	Singh, P. M. et al.	**2020**	Developing SME sustainability disclosure index for Bombay Stock Exchange (BSE) listed manufacturing SMEs in India	To study SME Sustainability Disclosure Index on listed manufacturing SMEs in India.	**Data:** Secondary Data **Analysis tools:** Content Analysis	The results indicate a dearth of Sustainability Reporting practices, particularly in the environmental and social dimensions. Moreover, the study tries to bridge the gap by providing SSDI as a mechanism to discharge and evaluate sustainability practices in SMEs.
7.	Kumar, K., Prakash, A.	**2019**	Examination of Sustainability Reporting Practices in the Indian Banking sector	To examine the extent of Sustainability Reporting by the commercial banks in India in line with	**Data:** Secondary Data **Analysis tools:** Content Analysis	The result of the study shows that the banks in India are much slower in adopting Sustainability Reporting

				major Sustainability -related standards & guidelines.		Practices. It was found that sustainability issues which are of the highest priorities for the banks are directly related to their business operations like financial inclusion, financial literacy, etc.
8.	Kumar, R., Sagar, S.	**2017**	A study on Sustainability Reporting Practices as per GRI guidelines in selected Automobile Companies.	The objective of this paper is to study and compare the Sustainability Reporting Practice in selected Automobile companies.	**Data:** Secondary Data **Analysis tools:** Percentage, average, standard deviation, and T-test	The result of this study indicates that there is no significant difference between the guidelines disclosed by all the companies. Sustainability Reporting is expected to be integral to business today.
9.	Garg, P.	**2017**	Development of sustainability reporting index (SRI) with special reference to companies in India.	Developed an index on Sustainability Reporting Practices, considering Economic, Environment as well as social Indicators, in the context of companies in India.	**Data:** Primary Data & Secondary Data **Analysis tools:** Content Analysis, Factor Analysis, etc.	The result of this study indicates that disclosures have been systematically aggregated into the Sustainability Reporting Index (SRI). The paper presents the research design used to construct the SRI.
10.	Laskar, N., Maji, G. S.	**2016**	Corporate Sustainability Reporting Practices in India: myth or reality?	To examine the level and quality of the disclosure of Corporate Sustainability Reporting.	**Data:** Secondary Data **Analysis tools:** Content Analysis & Regression Model	The study found that the average level of disclosure is 88 percent, whereas the quality of disclosure is

				To investigate the association between CSP and firm performance. To investigate the appropriateness of the Corporate Sustainability guideline.		nearly 80 percent. The influence of CSP (in terms of level and quality disclosure) on firm performance is positive and significant. This study also indicates that the Sustainability Practices of Indian firms are not a myth but are approaching reality.
11.	Cyriac, S.	**2013**	Corporate Sustainability Reporting Practices: A Comparative Study of Practices by Indian & European Companies	It also examined and compared the various sustainability disclosure practices of the top Indian and European companies.	**Data:** Secondary Data **Analysis tools:** Total number of items / Maximum number of items * 100	The result of this study indicates that Indian companies need to improve their disclosure practices on sustainability. The accounting authorities should endeavour to regularize narrative reporting on Sustainability.

Table No. 2: Reviews on Sustainability Reporting and Financial Performance

S.no.	Author	Year	Title	Objectives	Research Methodology	Findings
1.	Nzekwe, et al.	**2021**	Effect of Sustainability Reporting on Financial Performance of quoted Industrial goods companies in Nigeria	To Ascertain the effect of Environmental Reporting on cash value added. To Determine the effect of Social Reporting on cash value added.	**Data:** Panel Data **Analysis tools:** Pearson correlation coefficient, Panel least square regression analysis	The results of this study indicate that Environmental Reporting, Social Reporting, and Economic Reporting have a significant positive effect on cash value added

				To Evaluate the effect of Economic Reporting on cash value added.		respectively at a 5% level.
2.	Pham, D. C. et al.	**2021**	The impact of sustainability practices on financial performance: empirical evidence from Sweden	To empirically explore the influence of sustainability practices on the financial performance of listed Swedish companies	**Data**: Secondary Data **Analysis tools:** multiple regression model	This study indicates a positive relationship between corporate sustainability and financial performance that is measured by earnings yield, return on asset, return on equity and return on capital employed. However, when it comes to a market-based financial measure, Tobin's Q, the result is inconclusive.
3.	Nguyen H. T., et al.	**2021**	Environmental performance, sustainability, governance, and financial performance: Evidence from heavily polluting industries in China	To examine the impact of internal corporate governance mechanisms on Environmental Performance. To examine the moderating role of these Corporate Governance mechanisms on Financial. Performance– Environmental Performance.	**Data:** Secondary Data **Analysis tools:** Multiple Regression Analysis.	The results of this study indicate an important implication for policymakers and regulators. environmental performance appears to differ among our sampled firms and is generally low when compared with reported performance even in other developing countries.
4.	Samuel, A. W.	**2021**	New determinants of Future Share	To analyze the impact of Sustainability Reporting on	**Data:** Secondary Data **Analysis tools:** Normality,	This study found that all TBL reporting elements and

			Performance: Impacts of Sustainability Reporting.	Corporate Share Performance	Multi-collinearity, Linearity, and Multiple Regression Model	internal good governance practices are associated positively with Future Share Performance.
5.	Ferguson C. et al.	**2019**	Effect of Sustainability Reporting on Corporate Performance of quoted Oil and Gas firms in Nigeria	To determine the effect of Sustainability Reporting on the Corporate Performance of quoted Oil and Gas firms in Nigeria.	**Data:** Secondary Data **Analysis tools:** Time-series, cross-sectional analysis, Pearson correlation coefficient, and multiple regression analysis via E-View 9.0	This study found that Sustainability Reporting has impacted positively the Corporate Performance indicators used in the study. A detailed analysis shows that the social index has exerted an impact on all the performance variables.
6.	García, S. et al.	**2019**	Impact of disclosure and assurance quality of Corporate Sustainability reports on Access to finance	This paper investigates the impact of Corporate Social Responsibility (CSR) disclosure quantity, quality, and external validation concerning assurance of capital constraints	**Data:** Panel Data **Analysis tools:** Multivariate Analysis	This study found that the financial market does not assess assurance quality as a mechanism for increasing investors' confidence in CSR information.
7.	Shukla, S.	**2019**	A Study of the Impact of Capital Social Responsibility Expenditure on the Financial Performance of Automobile firms in India	To examine the relationship between CSR and ROA. To examine the relationship between CSR and Market Capitalization.	**Data:** Secondary data **Analysis tools:** Regression analysis	This study found that corporate social responsibility has a positive impact on financial performance for the sample of selected automobile and allied companies.

8.	Buallay, A., et al.	**2019**	Sustainability reporting and firm's performance Comparative study between manufacturing and banking sectors	To provide a comparison between manufacturing and banking sectors with regards to the level of sustainability reporting (environmental, social, and governance (ESG)) and its impact on operational, financial, and market performance.	**Data:** Secondary data **Analysis tools:** Multivariate Model	This study indicates that ESG positively affects operational, financial, and market performance in the manufacturing sector. However, the ESG negatively affect the operational, financial, and market performance in the banking sector.
9.	Ching, Y. H. et al.	**2017**	The Quality of Sustainability Reports and Corporate Financial Performance: Evidence from Brazilian Listed Companies	To verify whether the sustainability reporting quality would affect corporate financial performance. To examine the quality of information disclosed in their sustainability reports	**Data:** Secondary data **Analysis tools:** Regression analysis	This study found that there is no association between accounting and market-based variables and the reporting quality, although the quality disclosure is improving throughout the years studied.
10.	Motwani, S. S., Pandya, B. H.	**2016**	Evaluating the Impact of Sustainability Reporting on the Financial Performance of Selected Indian Companies	To study the impact of Sustainability on the Firm's profitability of the selected listed Indian companies. To study the impact of Overall Sustainability and Firm Size on Firm profitability of the selected listed Indian companies.	**Data:** Secondary data. **Analysis tools:** Correlation Analysis and Cross-sectional Multiple Regression Analysis used.	The result showed that overall sustainability reporting practices have a significant positive impact on a firm's profitability to some extent. Thus, firms must take serious steps towards adequate adoption and reporting of sustainability

				To study the impact of the four key sustainability (Community, Employees, Environmental, and Governance) on the Firm profitability of the selected listed Indian companies.		measures to improve their profitability.
11.	Kasbuna, F. N.	**2016**	Sustainability Reporting and Financial Performance of Malaysian Public-Listed Companies	To investigates the relationship between sustainability reporting and the financial performance of Malaysian Public Listed Companies.	**Data:** Secondary data **Analysis tools:** Regression analysis	This study indicates that economic, social, and environmental sustainability reporting is positively associated with financial performance measured using Return on Assets and Return on Equity.
12.	Garg, P.	**2015**	Impact of Sustainability Reporting on Firm Performance of Companies in India.	To measure the Sustainability Reporting score for sample companies through the indicators provided by GRI and compare them over the period of study. To study the relationship between Sustainability Reporting Practices and company performance. To propose suggestions regarding the disclosure imperative of	**Data:** Secondary data **Analysis tools:** Paired t-test, Regression Analysis by using SPSS 16.0.	This study found that the Sustainability Reporting Practices of a firm impact its Performance negatively in the short run while positively in long run.

				Sustainability Reporting.		
13.	Aggarwal, P.	**2013**	Impact of Sustainability Performance of Company on its Financial Performance: A Study of Listed Indian Companies	To examine the impact of the sustainability rating of the company on its financial performance. To analyze the impact of four key components of sustainability on financial performance.	**Data:** Secondary data. **Analysis tools:** Correlation Analysis and Cross-sectional Multiple Regression Analysis used.	In this study, a researcher found no significant association between overall sustainability rating and financial performance. However, further analysis reveals that four components (i.e., Community, Employees, Environment, and Governance) of sustainability have significant but varying impacts on financial performance.

Table No. 3: Reviews of Stakeholder's Perceptions Regarding Sustainability Reporting

S.no.	Author	Year	Title	Objectives	Research Methodology	Findings
1.	Jawad, I. A.	**2021**	A survey of Sustainability Reporting Practices of Palestinian-listed corporations	This study aims to explore the extent to which Palestinian corporations are engaged in Sustainability Reporting.	**Data:** Primary Data **Analysis Tools:** Descriptive Analysis	The result of this study indicates that sustainability reported by Palestinian companies focuses mainly on employees and customers.
2.	Talha, M. et al.	**2020**	Corporate social reporting—Shareholder perception and its determinants	To examine the perception of shareholders on corporate social reporting, under the Indian context.	**Data:** Primary data. **Analysis tools:** Friedman's Rank Test, Regression Analysis.	This study shows that perception is highly influenced by the importance shareholders attach to Corporate Social Reports.

3.	Khan, F. R.	**2020**	Stakeholders' Perceptions towards Sustainability Reporting Practices of Listed Manufacturing Companies: Evidence from Bangladesh	To explore the perceptions of five selected managerial and non-managerial stakeholder groups regarding the various aspects of the reporting practices of the listed manufacturing companies in Bangladesh	**Data**: Primary data. **Analysis tools**: frequency, mean, standard deviation, percentage, etc. through the SPSS program.	Researchers found that to increase the transparency of their sustainability performance and disclosures, the relevant regulatory bodies should provide the necessary norms and appropriate efforts to encourage the listed firms to adopt the culture of environmental audit.
4.	Stocker, F. P., Michelle	**2020**	Stakeholder engagement in sustainability reporting: A classification model	To identify and classify the level of engagement between firms and stakeholders	**Data**: Primary data. **Analysis tools**: Stakeholder's engagement strategies matrix	In this study, researchers found that there is the least level of stakeholder engagement in sustainability reporting.
5.	Bradford, M.	**2017**	Understanding sustainability for socially responsible investing and reporting	To ascertain how people interpret the meaning of the activities included in the sustainability reports.	**Data**: Primary data. **Analysis tools**: Content analysis & factor analysis.	According to the study, stakeholders have a moral relationship with corporations in addition to whatever economic relationships they may have.
6.	Singh, K.	**2012**	Environment Management and Disclosure Practices of Corporate Enterprises in India	To find out the content and quality of environmental disclosures and the Environmental management practices of corporate enterprises.	**Data**: Primary as well as secondary data. **Analysis tools**: Percentage, average, correlation, t-test, Anova, scenes, kurtosis test, etc.	In this study, researchers found that most stakeholders want companies to disclose environmental information. The Result shows everything should be done proper manner and that the enterprise follows all rules.
7.	Dilling, P. F. A.	**2011**	Stakeholder perception of	To explore the link	**Data**: Primary data.	The findings suggest that the

			Corporate social responsibility	between stakeholder perception of Corporate social responsibility and its relationship with underlying factors.	**Analysis tools**: Descriptive Statistics, frequencies, correlation & Multiple Correlation Analysis.	age of the corporation, community involvement, and cultural diversity significantly influence stakeholders' corporate social responsibility perception.

RESEARCH GAP

After considering literature reviews, it has been found that various studies on Sustainability Reporting have been conducted to analyze the impact of Sustainability Reporting on the firm performance. However, few studies have been conducted to analyze the impact of Sustainability Reporting on the Financial Performance of BSE-listed Automobile Companies in India. Moreover, no study has been conducted in which all types of vehicle manufacturing and Auto part-producing companies in India have been included.

Recently, a few studies used both primary and secondary data. Furthermore, most of the studies were conducted only on a few GRI guidelines. But, In these studies have not included guidelines related to Sustainability Reporting Such as NGRBC, SASB, GRI, SEBI, OECD, and many more.

Along with this, the Researcher also wants to know the perception of Stakeholders regarding Sustainability Reporting. This study will investigate the impact of Economic, Social, and Environment indicators on the Financial Performance of selected companies in India. This research will also explore the importance of effectively disclosing the Sustainability Reporting activities and Financial Performance of the selected companies in India.

NEED OF THE RESEARCH STUDY

Sustainability Reporting is an important way to manage an organization's impact and Sustainability development. The Automobile Sector plays a dominant role in the Indian economy and environment. This sector also affects every aspect of society. It is widely accepted that organizations have a responsibility and a great ability to exert positive change in the state of the world's economic, environmental, and social conditions. As we know Sustainability Reporting has become obligatory for companies listed in India. Moreover, the Automobile Sector affects every aspect of the "Triple Bottom

Line" because this sector is dominant in generating employment, Pollution, Climate change, and the society's standard of living. The proposed research study considers the impact of Sustainability Reporting on Financial Performance. The study under consideration is also required to study the perception of Stakeholders regarding Sustainability Reporting.

This study will be helpful in the following aspects:

- This study will provide clear information about the various models, and guidelines related to Sustainability Reporting.
- This study will be helpful to know the Sustainability Reporting and its impact on the Performance of the selected Automobile companies in India.
- This study can contribute to improving responsibility towards Sustainability Reporting among the selected Automobile companies in India.
- This study will be also helpful to Stakeholders. They can easily define the value, Risk, future share performance, and importance of Sustainability Reporting.

Currently, the Automobile Industry contributes 7.1% of India's GDP and 49% of its manufacturing GDP. The EV market is expected to grow at a CAGR of 49% between 2022-2030 and is expected to hit 10 million-unit annual sales by 2030.

OBJECTIVE OF STUDY

1. To analyze and evaluate the Sustainability Reporting regarding Performance indicators of selected Automobile Companies in India.
2. To analyze the Impact of Sustainability Reporting on the Financial performance of Selected Automobile Companies in India.
3. To study the perception of the Stakeholders regarding Sustainability Reporting.

HYPOTHESIS OF STUDY

For the research purpose following null hypotheses will be tested.

H_{01} - There is no significant impact of Sustainability Reporting on the Financial Performance of selected Automobile companies in India.

H_{02} - There is no significant difference between the perceptions of the Stakeholders regarding the impact of Sustainability Reporting.

RESEARCH METHODOLOGY

To achieve the research objectives following research methodology will be adopted. This methodology is proposed and will be changed as per the requirement of the study.

❖ **Research Design:**

This research study will be descriptive, analytical, and explanatory in nature.

❖ **Sample Size:**

For attaining the objectives, this study covers the top 12 companies from the Automobile Sector listed in BSE 500. In this study, the researcher will cover vehicle manufacturing and Auto part producing (Tyres, Batteries Engines, etc) Companies in India.

Table No. 4: Name of Companies

S. No.	Name of Companies
1.	Maruti Suzuki India Ltd.
2.	Tata Motors Ltd.
3.	Mahindra & Mahindra Ltd.
4.	Bajaj Auto Limited
5.	Eicher Motors Ltd.
6.	Hero MotoCorp Limited
7.	Bosch Ltd
8.	Ashok Leyland Ltd.
9.	M.R.F. Ltd.
10.	TVS Motor Company Ltd.
11.	Balkrishna Industries Ltd.
12.	Apollo Tyres Ltd

Justification for Selection of Sample:

- These selected companies are listed on BSE (Bombay Stock Exchange).
- The selected companies are the Top 12 companies based on market capitalization on 1st April 2017.
- These Companies play a dominant role in the Indian market.

❖ **Collection of Data:**

For the study, Primary and secondary data will be taken into consideration.

- **Primary Data -** The data will be collected through a well-designed questionnaire. It will be constructed and served to 500 respondents (i.e., Stakeholders).

Table No. 5: Classification of Respondent

S. No.	Respondent	No. of Respondent
1.	Academicians	100

2.	Accounting Professionals	100
3.	Investors	100
4.	Researchers	100
5.	Others Stakeholders	100
Total		**500**

- **Secondary data -** It will be collected from reports, Research published in journals, newspapers, magazines, websites, Periodicals, Annual Financial Reports, Corporate Sustainability Reports, Business Responsibility Reports, Environmental Reports, Social Reports, and other authentic reports of selected companies.

❖ **Duration & Variables of the Study:**

The data will be considered for a period of Six years commencing from the financial year 2017-18 to 2022-23.

Table No. 6: Variables

Independent Variables	Dependent Variables	Control Variables
ECO	ROA	LEVR
SOC	ROE	SIZE
ENV	EPS	
	Tobin Q	

❖ **Tools For Data Analysis:**

Checklist Preparation & Index Development: A checklist will be prepared to check the Sustainability Reporting of selected Automobile Companies in India based on different parameters of the GRI Report, NGRBC, and other reports. According to these guidelines and reports researcher will develop an index by using binary coding.

Statistical Tools: Chi-square test, Content Analysis, Descriptive statistical, Multiple Regression Analysis, and other statistical & accounting tools and techniques will be used as per the requirements of the research study.

Regression Equations:

$$ROA = \beta_0 + \beta_1 ECO_{it} + \beta_2 SOC_{it} + \beta_3 ENV_{it} + \beta_4 LEVR_{it} + \beta_5 SIZE_{it} + E_{it}$$

$$ROE = \beta_0 + \beta_1 ECO_{it} + \beta_2 SOC_{it} + \beta_3 ENV_{it} + \beta_4 LEVR_{it} + \beta_5 SIZE_{it} + E_{it}$$

$$EPS = \beta_0 + \beta_1 ECO_{it} + \beta_2 SOC_{it} + \beta_3 ENV_{it} + \beta_4 LEVR_{it} + \beta_5 SIZE_{it} + E_{it}$$

$$Tobin\ Q = \beta_0 + \beta_1 ECO_{it} + \beta_2 SOC_{it} + \beta_3 ENV_{it} + \beta_4 LEVR_{it} + \beta_5 SIZE_{it} + E_{it}$$

Where:

ROA_{it} - Return on Assets for the company i in period t

ROE_{it} - Return on Equity for the company i in period t

EPS_{it} - Earnings per Share for the company i in period t

Tobin Q_{it} – Tobin Q for the company i in period t

ECO_{it} - Economic performance for the company i in period t

SOC_{it} - Social performance for the company i in period t

ENV_{it} - Environmental performance for the company i in period t

$LEVR_{it}$ – Leverage for the company i in period t

$SIZE_{it}$ – Company Size for the company i in period t

E - Error term

β_0 -is the intercept of the regression

β_1, β_2, β_3, β_4, β_5 - coefficients of sustainability reporting indices

Presentation Tools: For the Presentation of data various presentation tools will be used like Tables, Diagrams, Graphs, etc.

Table No. 7: Proposed Chapter Plan

Chapters	Chapter plan
Chapter one	Introduction
Chapter Two	Review of Literature
Chapter Three	Analysis and evaluate the Sustainability reporting regarding performance indicators in selected Automobile Companies in India.
Chapter Four	Analysis of the impact of Sustainability Reporting on the Financial performance of selected Automobile Companies in India.
Chapter five	Analysis of the perception of the stakeholders regarding Sustainability Reporting.
Chapter Six	Findings, Suggestions, Conclusion, Future scope, and Limitations of the research
Annexure	Appendix, Bibliography & References

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